

# Budget and Adoption Procedures for Common, Unified High and Unified School Districts.

## Overview of the Budget Development and Planning Process:

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## Detailed Guidance for Budget Development and Planning

### Step #1 Development of a Proposed Budget

The staff and school board are to collaborate to develop a proposed budget that identifies expected revenues, expenditures and fund balances for the budgeted year. Such budget shall also show actual revenues and expenditures for the preceding year, actual revenues and expenditures for not less than the first 6 months of the current year and estimated revenues and expenditures for the balance of the current year. Such budget shall also show for informational purposes by fund all anticipated unexpended or unappropriated balances, and surpluses per [Wis.Stat.sec 65.90](#). The collaboration between all staff, administrators and the school board will allow for better understanding, and agreement, of the final school board approved budget. The budgeting detail is based upon the Wisconsin Uniform Financial Reporting Requirements (WUFAR) hierarchy of accounts. Prior to the budget hearing, the school board must approve a proposed budget to present at the budget hearing.

*Note - Authority between July 1 and Final Adoption of a Budget*

*Per [Wis.Stat.sec.120.13\(33\)](#) during the period between July 1 and the final adoption of a budget by the school board after the budget hearing under [Wis.Stat.sec.65.90](#), spend money as needed to meet the immediate expenses of operating and maintaining the public instruction in the school district.*

*Temporary borrowing by school boards: Temporary borrowing for this purpose is specifically authorized by [Wis.Stat.sec.67.12\(8\)](#)*

### Step #2 Budget Hearing Requirements

The procedures which common, union high and unified school districts should follow to formulate a budget, hold a public hearing and adopt a budget can be found in [Wis.Stat.sec.115.01\(3\)](#) and [Wis.Stat.sec.65.90](#).

All districts are required to hold a budget hearing. [Wis.Stat.sec.120.08](#) requires every common and union high school district to hold an annual meeting. Common and Union High School (UHS) School Districts are required to hold the budget hearing at the same time and place as the annual meeting per [Wis.Stat.sec.120.08](#)

*Per [Wis.Stat.sec.65.90\(4\)](#) Not less than 15 days, and in the case of common school districts, not less than 10 days, after the publication of the proposed budget and the notice of hearing thereon a public hearing shall be held at the time and place stipulated at which any resident or taxpayer of the governmental unit shall have an opportunity to be heard on the proposed budget. The budget hearing may be adjourned from time to time. In school districts holding an annual meeting the time and place of the budget hearing shall be the time and place of the annual meeting.*

A class 1 notice (one publication) under [Wis.Stat.sec.985.07](#), shall contain a summary of the proposed budget that is described in step #1 above. Notice of where the detailed budget may be examined and notice of the time and place of the public hearing. The following are procedures for publishing notice of the budget hearing and the proposed budget summary.

- Common School District – at least 10 days prior to the hearing per [Wis.Stat.sec.65.90\(3\)\(a\)3](#)
- Unified & UHS Districts – at least 15 days prior to the hearing per [Wis.Stat.sec.65.90\(3\)\(a\)](#)

### **Step #3 Annual Meeting Requirements**

Following the budget hearing, the electors at the annual meeting of common and union high school districts have the power to vote a tax for the purposes set forth in [Wis.Stat.sec.120.10.6](#). The school board of a unified school district has the power to vote the tax.

Common school districts shall hold an annual meeting on the 4<sup>th</sup> Monday in July at 8:00 p.m. and union high school districts shall hold an annual meeting on the 3<sup>rd</sup> Monday in July at 8:00 p.m. unless the electors at one annual meeting determine to thereafter hold the annual meeting on a different date or hour, or authorize the school board to establish a different date or hour. No annual meeting may be held before May 15<sup>th</sup> or after October 31<sup>st</sup> per [Wis.Stat.sec.120.08\(1\)\(a\)](#).

School Districts must publish a class 2 notice, under [Wis.Stat.sec.120.08](#) and [Wis.Stat.sec.985.07](#), of the time and place of the annual meeting, the last insertion to be not more than eight (8) days nor less than one (1) day before the annual meeting. Note: A class 2 notice requires a minimum of 2 insertions, one each week for consecutive weeks. [Wis.Stat.sec.985.02\(2\)](#) and [Wis.Stat.sec.985.02\(3\)](#) provides direction to school boards who elect to post the budget summary in at least three public places and/or the internet for citizens to view.

The DPI School Financial Services Team (SFS) encourages school districts to use the following format for the publication requirement.

*[Wis.Stat.sec.65.90\(3\)\(c\)](#)The department of public instruction under [Wis.Stat.sec.115.28](#), the department of revenue under s. [Wis.Stat.sec.73.10](#) and the technical college system board under [Wis.Stat.sec.38.04](#) shall encourage and consult with interested public and private organizations regarding the budget summary information required under pars. (a) and (b). The department of public instruction and the technical college system board shall specify the revenue and expenditure detail that is required under par. (b) 1. and 2. for school districts and for technical college districts.*

The template is located in the [DPI Budget Hearing and Publication Workbook](#).

PROPOSED PROPERTY TAX LEVY			
FUND	Audited 20XX-XX	Unaudited 20XX-XX	Budget 20XX-XX
General Fund	0.00	0.00	0.00
Referendum Debt Service Fund	0.00	0.00	0.00
Non-Referendum Debt Service Fund	0.00	0.00	0.00
Capital Expansion Fund	0.00	0.00	0.00
Community Service Fund	0.00	0.00	0.00
<b>TOTAL SCHOOL LEVY</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YEAR</b>			

School Districts who have Energy Efficiency Exemption Projects must meet the following statutory requirement.

**1. Revenue Limit Exemption for Energy Efficiency Projects - [Wis.Stat.sec.121.91\(4\)\(o\)1.](#)**

*New Law as a result of Act 59:* ENERGY EFFICIENCY EXEMPTION (EEE) TO THE REVENUE LIMIT: Per 2017 Wisconsin Act 59 (2017-19 Budget), school boards are prohibited from adopting a resolution to utilize the Energy Efficiency Exemption to the revenue limit after December 31, 2017, through December 30, 2018. School Boards have the authority to adopt EEE resolutions after October 1, 2017 and before January 1, 2018 that are applicable beginning in 2018-19 and thereafter.

A School Board may issue debt after December 31, 2017, to fund the energy efficiency exemption project(s) that were approved by the School Board prior to December 31, 2017.

Under current law, resolutions may not be passed after December 31, 2017. This includes changes to any existing resolutions. Districts considering one year operating exemptions in 2018-19 and beyond should consider the potential consequences of the inability to change the resolution after December 31, 2017. We are seeking further interpretation of the law related to resolutions for refinancing debt and will share any new information and/or interpretation when available.

School Boards who have approved energy efficiency resolution(s), prior to December 31, 2017, are required to publish an evaluation of the identified energy performance indicators as an addendum to the published budget summary document under [Wis.Stat.sec.65.90](#), and in the school's newsletter or in the published minutes to the school board meeting.

For additional information please refer to the [Revenue Limits Exemptions - Overview](#) and [Administrative Code Chapter PI 15](#)

**2. Post-Employment Benefits Reporting:**

If a school board has established a trust described in [Wis.Stat.sec.66.0603\(1m\)\(b\)3](#) for post-employment benefits, the annual meeting report shall state the amount in the trust, the investment return earned by the trust since the last annual meeting, the total of disbursements made from the trust since the last annual meeting, and the name of the investment manager if investment authority has been delegated under [Wis.Stat.sec.66.0603\(3\)\(b\)](#)

## Step #4 Original Budget Adoption Procedure

The school board shall adopt an original budget at a school board meeting scheduled after the public hearing and no later than the meeting in which the school district sets the amount of the tax levy under [Wis.Stat.sec120.12](#). The adopted school board approved annual school district budget is commonly referred to as the legally adopted original budget.

## Step #5 Setting of the Levy and a Sufficient Tax Amount Requirements

[Wis.Stat.sec.120.12\(3\)\(a\)](#) and [\(c\)](#) require that on or before November 1, a school board must determine if the tax voted at the annual meeting is sufficient to operate and maintain the schools for the school year. If the amount so determined is not sufficient, the school board shall raise the tax. The board may lower the tax if the amount so determined exceeds requirements. The tax levy shall not exceed limits established by [Wis.Stat.sec.121.91](#). The taxes levied must be certified to municipalities on or before November 10.

- The school board clerk must set the levy and adopt an original budget on or before November 1<sup>st</sup>.
- The school board clerk must certify the levy to the municipalities on or before November 10th.

## Step #6 Guidance for completing the PI-401

**Overview** *(A sample PI 401 form can be viewed after the following paragraphs).*

This application collects school district tax levy information and replaces all prior paper reporting processes. Levy amounts are entered by fund. Once data is submitted, the program automatically apportions the total levy across municipalities, creates individual municipal tax certification pages and reports information to both the Department of Public Instruction (DPI) and the Department of Revenue (DOR).

**Note:** The program opens for district entry on October 16, 2019. The due date for the PI-401 is November 6th.

**Special Note:** Each year, per [Wis.Stat.sec.120.12 \(3\)\(a\)](#) on or before November 1, each school board must vote a levy necessary to operate and maintain the schools of the school district. In addition, by November 10, the school district clerk must deliver to the clerk of each municipality, a statement showing the proportion of tax to be collected from the property in the school district lying within that municipality [Wis.Stat.sec.120.17\(8\)\(a\)](#)

The PI-401 Tax Levies Report can be accessed through the [School Financial Services Reporting Portal](#). District personnel can go to the "Status and Deadlines" link or the "Financial Data Home" link and select the PI-401 Tax Levies Report. You must enter your user id and password to log into the program.

## Instructions for Completing the PI-401

The district should not enter data into this application unless their revenue limit computation has been updated with their third Friday FTE student enrollment, October 1 Tax Apportionment values and their Aid Certification amounts (thus completing all the information required to ensure the district levies within their revenue limit). Additionally, the school board must have officially voted on levy amounts for that year.

## Tax Levy Input by Fund

After logging into the [School Financial Services Reporting Portal](#), the district is to complete the contact information page. Once that is completed, the district is to enter the tax levy by fund. Districts are reminded to review the data thoroughly. The total levy amount entered should agree with, and equal, to the amounts on lines 18 (fund 10 levy), 14b (fund 38 non referendum debt), 14c (fund 41 capital expansion), 15a (fund 39

referendum approved debt), 15b (fund 80 community service) and 15c (prior year levy chargeback) of the district's revenue limit worksheet.

### **Reasonability Report**

The next step will be to view a reasonability report that compares the current year levy with the prior year levy. If the reasonability report is correct, the district submits the levy data to DPI and then prints out the PI-401 tax levy certification page. The district is required to sign and maintain this page on file in the district. The PI-401 tax levy data is used by DPI to determine district compliance with the revenue limit statute, [Wis.Stat.sec.121.92](#)

Note that the levy by municipality has already been calculated. **Please review this data for accuracy.** This information will be electronically submitted by DPI to DOR on the district's behalf. There is no longer a paper form that is submitted to DOR.

### **Printing of PI-1508 Tax Levy Certification Forms**

After printing the certification page, the district will then print the PI-1508 Tax Levy Certification forms that have already been populated with the apportioned levy to each of the district's municipalities. Districts will then sign and send these completed forms to their municipalities.

The due date for the PI 401 is November 6, 2019.

On behalf of the school district, DPI will transmit to the Department of Revenue the reported levy amounts. Districts may return and amend their data after the original submission. However, after the 2nd Monday in November, districts will first need to contact a School Finance Consultant to open the PI-401 program.

# Test District 1 (9991)

## FY 2017-2018 Tax Levies

### Helpful Links

<ul style="list-style-type: none"> <li>▪ <a href="#">Edit Results</a></li> <li>▪ <a href="#">Reasonability Check</a></li> <li>▪ <a href="#">Rounding</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ <a href="#">Audit Trail</a></li> <li>▪ <a href="#">Contact Page</a></li> <li>▪ <a href="#">Referendum Approved</a></li> <li>▪ <a href="#">How to Use this Wizard</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ <a href="#">PI-1508 Forms</a> </li> <li>▪ <a href="#">Certification Page</a></li> <li>▪ <a href="#">How to Change Names on the Reports</a></li> </ul>
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### Review Answers

PI-401			
Account	Description	Revenue Limit Worksheet Line	Amount
<a href="#">10R-000000-211</a>	General Fund Operating Levy	Line 18	0.00
<a href="#">38R-000000-211</a>	Non-Referendum Debt Levy	Line 14B	0.00
<a href="#">41R-000000-211</a>	Capital Expansion Fund Levy	Line 14C	0.00
<b>Total Revenue Limit Levies:</b>			<b>0.00</b>
<a href="#">10R-000000-212</a>	Property Tax Chargebacks	Line 15C	0.00
<a href="#">39R-000000-211</a>	Referendum Approved Debt Levy	Line 15A	0.00
<a href="#">80R-000000-211</a>	Community Service Fund Operating Levy	Line 15B	0.00
<b>Total Certified Tax Levies:</b>			<b>0.00</b>

The information on the PI-401 Data table will be submitted to the Wisconsin Department of Revenue (DOR) by the Department of Public Instruction (DPI) on your behalf.

PI-401 Data						
Summary of the Total Tax Appropriation Certification						
County	County - Muni Code	Taxation District	Tax Apportionment Equalized Value	Percent of School District in Taxation District	Total Certified Tax Levies From PI-401	Amount of Tax Levy for Taxation District
<b>County Totals</b>			<b>0.00</b>	<b>0</b>		<b>0.00</b>
<b>District Totals</b>			<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

### Step #7 Budget Changes/Amendments Process

The annual original budget provides the best estimates at the time of adoption of the resources and costs of the activities of the school district for the ensuing months of the school year. As the year progresses, there may be a need to change appropriations and purposes. Because such changes range from minor changes to significant ones, a question does arise concerning when the two-thirds vote and publication are required. Pursuant to input from the Wisconsin Association of School Boards, school district officials and legal counsel, DPI recommends that the two-thirds vote, per [Wis.Stat.sec.65.90\(5\)\(a\)](#), along with the required publication notices are required if the amount of appropriation and the purposes (functions) as presented in the line items of the adopted budget are changed. Changes in subordinate line items from which the adopted budget evolved (but which are not

detailed in the adopted budget) do not require the two-thirds vote and publication. School District Treasurers must also comply with [Wis.Stat.sec.120.16\(2\)](#) to assure disbursements from the school district treasury are made within the law. In addition, a class one notice must be published within 15 days after any change to a school district's budget is made per [Wis.Stat.sec.65.90\(5\)\(a\)](#) and [Wis.Stat.sec.985.02](#).

The following sample is provided to assist school districts with their budget changes/amendments procedures. This sample can be found in the [Budget Hearing and Adoption Workbook](#).

Date: June 2017				
<i>SAMPLE: PUBLISHED NOTICE OF BUDGET CHANGES - STATUTE 65.90(5)(a)</i>				
<i>EXAMPLE: CHANGE IN ANTICIPATED REVENUES AND/OR EXPENDITURE APPROPRIATIONS</i>				
<b>On "Line Item" enter name of account being amended.</b>				
<b>NOTICE OF CHANGE IN ADOPTED BUDGET</b>				
<b>SCHOOL DISTRICT OF ANYPLACE</b>				
Notice is hereby given, in accordance with the provisions of Wisconsin Statute 65.90(5)(a), that the School Board of <a href="#">Anyplace</a> , on <a href="#">date</a> , adopted the following changes to previously approved budgeted <a href="#">20XX - XX</a> amounts. The following presents only adopted budget line items with changes. Unchanged line items are not presented.				
<b>GENERAL FUND</b>				
LINE ITEM	ACCOUNT CODE	PREVIOUS APPROVED AMOUNT \$	AMENDED APPROVED AMOUNT \$	CHANGE \$
<b>Anticipated Revenue:</b>				
Taxes	Enter	0.00	0.00	0.00
State Aid -General	Enter	0.00	0.00	0.00
<b>Total Anticipated Revenue</b>		<b>0.00</b>	<b>0.00</b>	0.00
<b>Expenditure Appropriations:</b>				
Undifferentiated Curriculum	Enter	0.00	0.00	0.00
Regular Curriculum	Enter	0.00	0.00	0.00
Business Administration	Enter	0.00	0.00	0.00
<b>Total Expenditure Appropriations</b>		<b>0.00</b>	<b>0.00</b>	0.00
<b>Projected Ending Fund Balance:</b>				
Fund Balance, Restricted	Enter	0.00	0.00	0.00
<b>Projected Ending Fund Balance</b>	Enter	<b>0.00</b>	<b>0.00</b>	0.00